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DEPARTMENT OF ENVIRONMENTAL HEALTH
LAND AND WATER QUALITY DIVISION

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TO: SMALL DRINKING WATER SYSTEM OWNERS/OPERATORS:

The Department of Environmental Health (DEH) Small Drinking Water System program's purpose is to assist your water system in providing the best possible drinking water to your customers. We do this through mutually beneficial efforts to protect public health by preventing water-borne disease, identifying risks of bacterial, chemical and/or radiological contamination and ensuring compliance with State and Federal regulations.

We are holding two workshops to discuss our mutual challenges in providing safe drinking water and meeting all statutory requirements. As a small drinking water system operator over the last 14 years you have seen over 20 new Federal and State requirements and we have also been challenged in keeping up with these new mandates. Many of the systems are getting older and are experiencing more system failures. As a result of aging infrastructures we are seeing more exceedences of water quality standards, such as bacteria and nitrate, causing people to go on bottled water for long periods of time. These exceedences can make people sick and neither you nor DEH wants this to happen.

We all have had trouble with having enough trained and qualified people to get our jobs done. Many systems are seeing a turnover of operators, plus there is a shortage of Contract Operators in the county to assist with more complex problems. This creates challenges for us to assist operators with their problems.

In past years, we have held workshops and invited owners and operators to discuss the challenges we face with our program. During those meetings, we explained that we were not adequately helping system operators with their problems and were not meeting State minimum standards. To address this problem, we added another person to our program this year, which has allowed us to do our job much better. With this program enhancement, we have accomplished the following:

- Helped operators meet some of their needs by providing on-site technical assistance.
- Assisted operators by hosting free workshops and bringing experts in to provide needed training.
- Identified grant funds and assisted operators in applying for funding for much needed system upgrades.
- Provided annual water quality reporting schedules so you can more easily track your mandated monitoring. This was at your request during past workshops.

We will continue these efforts plus provide more information on our webpage and create a newsletter to provide you information on current events in the water business.

Local implementation of the Small Water System program is at a critical juncture. For DEH to continue this program, we will have to adjust the fees we charge to recoup our costs to run the program. Small Water Systems have been charged the same fees for the past 14 years. We have had to make improvements to meet the minimum State requirements for our program. Plus, we needed to be more of a resource to you, the small water system operator, in helping you stay in compliance. We believe we can provide more technical assistance which will enable you meet all requirements for your drinking water system.

But there is another option; the program could be turned over to the State Department of Health Services. But we do not think that this is the best option. The State is currently evaluating its fees because they do not cover their costs for overseeing the State Small Water Systems program either. They have stated the following to DEH in regards to transferring the program back to them for oversight:

- State permit fee increases are eminent.
- Systems will get reduced on-site technical assistance.
- Reduced compliance assistance to small drinking water systems.
- The State is enforcement oriented.
- Daily penalties are levied for missed deadlines.
- Penalties and cost recovery fees will be charged to small drinking water systems that have violations.

If you have any questions regarding the State taking over the program, you should contact Brian Bernados at (619) 525-4497.

A Small Water Systems Advisory Group (SWAG) was organized by DEH and met on December 7, 2005. The SWAG is made up of a diverse group of Small Drinking Water System operators throughout the county. The purpose of this group is to develop a partnership between System Operators and DEH and strategize on how to meet our mutual challenges. Discussed at that meeting were the ever changing State minimum standards for program implementation and the challenges faced by the operators and DEH, including program goals, staffing, training, costs and fees.

SWAG members agreed on the following points discussed at this meeting:

1. DEH provides a level of services that will not be provided by the State.
2. They would like the program to remain with DEH rather than transfer it back to the State.
3. A fee adjustment is needed and appropriate for #'s 1 and 2 above to occur.
4. They requested the fee adjustment be spread out over a three-year period.
5. SWAG will have semi-annual meetings, and more often if necessary.

We would like the opportunity to discuss the options with you at one of two workshops listed below. If you have questions, please contact Peter Neubauer at (858) 694-3113; or Wendy Martinez at (858) 694-2242, please RSVP by February 7, 2006.

**February 8, 2006
1:00 to 3:00 PM
City of Escondido
East Valley Community Center
2245 E. Valley Parkway, Community Room,
Escondido**

**February 9, 2006
1:00 to 3:00 PM
City of El Cajon
Ronald Reagan Complex
195 E. Douglas Ave, El Cajon**

Attached are the preliminary fee rates, which are currently under review by the County Auditor and Controller and are subject to change. Our plan is to ask the Board of Supervisors to consider and approve the final fee rates on March 1, 2006. We hope to present the Auditor and Controller approved fee rates at our workshops.

DEH has the reputation of running high caliber programs that are protective of public and environmental health and provide outstanding levels of service, we want to continue in these efforts. Please come to one of the workshops and talk to us about our program.

Sincerely,

MARK McPHERSON, Chief
Land and Water Quality Division

Enhanced Small Water Systems Program Fee Proposal

Table 1, Full Fee Adjustment, describes what the fees would be if the full fee adjustment was adopted in the first year. Table 2, Incremental Fee Adjustment, shows a three year incremental fee adjustment, with full cost recovery occurring in the fourth year (FY 09/10). Both tables include a 4% cost of living increase in fees for each fiscal year through June 30, 2010. This projected 4% cost increase is required by the County Auditor and Controller for budget proposals. The three year implementation schedule (Table 2) is the schedule that will be proposed to the Board of Supervisors.

It is important to note that these are Preliminary fee rates. These are currently under review by the County Auditor and Controller and are subject to change.

Table 1 Full Fee Adjustment

SMALL WATER SYSTEM TYPE	CURRENT FEES	PROPOSED FY06/07 FEES	PROPOSED FY07/08 FEES	PROPOSED FY08/09 FEES	PROPOSED FY09/10 FEES
Treated Community	\$460- \$748	\$2,580	\$2,680	\$2,775	\$2,880
Community	\$460- \$748	\$2,215	\$2,295	\$2,375	\$2,470
Treated Non-Transient/Non-Community	\$440- \$500	\$2,305	\$2,390	\$2,475	\$2,570
Non-Transient/Non-Community	\$440 - \$500	\$1,965	\$2,035	\$2,110	\$2,185
Treated Transient Non-Community	\$440	\$1,980	\$2,055	\$2,120	\$2,205
Transient Non-Community	\$440	\$1,550	\$1,610	\$1,670	\$1,730
Treated State Small	\$440	\$1,435	\$1,490	\$1,545	\$1,600
State Small	\$440	\$1,015	\$1,050	\$1,085	\$1,125
Transient Non-Community (Kelly Bill)	\$80	\$90	\$90	\$95	\$100

Table 2 Incremental Fee Adjustment

SMALL WATER SYSTEM TYPE	CURRENT FEES	PROPOSED FY06/07 FEES	PROPOSED FY07/08 FEES	PROPOSED FY08/09 FEES	PROPOSED FY09/10 FEES
Treated Community	\$460 - \$748	\$1,290	\$1,876	\$2,498	\$2,880
Community	\$460 - \$748	\$1,108	\$1,607	\$2,138	\$2,470
Treated Non-Transient/Non-Community	\$440 - \$500	\$1,153	\$1,673	\$2,228	\$2,570
Non-Transient/Non-Community	\$440 - \$500	\$983	\$1,425	\$1,899	\$2,185
Treated Transient Non-Community	\$440	\$990	\$1,439	\$1,908	\$2,205
Transient Non-Community	\$440	\$775	\$1,127	\$1,503	\$1,730
Treated State Small	\$440	\$718	\$1,043	\$1,391	\$1,600
State Small	\$440	\$508	\$735	\$977	\$1,125
Transient Non-Community (Kelly Bill)	\$80	\$80	\$85	\$95	\$100